

ANNOUNCEMENT OF FEDERAL FUNDING OPPORTUNITY
EXECUTIVE SUMMARY

Federal Agency Name(s): Manufacturing and Services (MAS), International Trade Administration, Department of Commerce

Funding Opportunity Title: Market Development Cooperator Program 2009
Announcement Type: Initial

Funding Opportunity Number: ITA-MAS-OPCM-2009-2001718

Catalog of Federal Domestic Assistance (CFDA) Number: 11.112, Market Development Cooperator Program

Dates: Public Meeting: The Department will hold a public meeting to discuss MDCP proposal preparation, procedures, and selection process on Wednesday, April 22, 2009. The ninety-minute meeting will begin at 2:00 p.m. in Room B841B , at the Herbert Clark Hoover Building, 14th and Constitution Avenue, N.W., Washington, D.C. The Department will not discuss specific proposals at this meeting. Attendance is not required. Interested parties may participate via telephone conference. Dial-in instructions will be posted on the Internet at trade.gov/mdcp. Interested parties can also obtain dial-in instructions from Mrs. Tonya Milstead at 202-482-5093.

Applications: The Department must receive completed applications by 5:00 p.m. Eastern Daylight Time, June 2, 2009. Late applications will not be accepted. Applicants whose applications have been accepted will be notified via e-mail or fax within ten days of the submission deadline.

Funding Opportunity Description: ITA requests that eligible organizations submit proposals (applications) for the fiscal year (FY) 2009 competition for MDCP awards. ITA creates economic opportunity for U.S. workers and firms by promoting international trade and investment, strengthening industry competitiveness, and ensuring fair trade.

FULL ANNOUNCEMENT TEXT

I. Funding Opportunity Description

A. Program Objective

Trade associations, state departments of trade, and other non-profit industry organizations are eligible to apply for an MDCP award. These organizations are particularly effective in reaching small- and medium-size enterprises (SMEs). Through MDCP cooperative agreements the Department provides technical and financial assistance that these organizations match. Organizations compete for a limited number of MDCP awards. (The program's eligibility requirements effectively preclude applications from individuals and private companies. See III. Eligibility Information below.)

MDCP awards help to underwrite the start-up costs of new ventures that organizations are often reluctant to undertake without federal government support. MDCP strengthens the competitiveness of U.S. industry by fostering projects that result in increased exports and/or market share for non-agricultural goods and services produced in the United States

As an active partner, ITA will, as appropriate, guide and assist organizations in achieving project objectives. ITA encourages organizations to propose projects that (1) best strengthen their industry through market development; and (2) leverage the partnership between the organization and ITA.

1. Definitions

Several definitions are provided in VIII. Other Information.

2. Examples of Project Activity

Applicants should propose market development activities tailored to strengthen the competitiveness of the relevant U.S. industry. Examples from prior years are set forth below and, in greater detail, at trade.gov/mdcp. These are provided only for illustration. Applicants are not required to propose any of these activities:

- a. Promotion of standards that ensure market access for U.S. products;
- b. Helping business leaders to leverage free trade agreements to the advantage of U.S. industry;
- c. Demonstration of U.S. products abroad;
- d. Development of a shared Internet-based distribution system in a target market;
- e. Establishment of technical servicing of U.S. products abroad;
- f. Joint promotion of U.S. products with foreign partners;
- g. Establishment of a trade association office in a target market;
- h. Education of foreign users of U.S. technology concerning intellectual property rights;
- i. Training foreign staff for after-sale service of U.S. products in target markets;
- j. Increasing trust in U.S. products in foreign markets by safeguarding non-U.S. elements of the supply chain with an ingredient testing system;

k. Publication of product brochures and company directories; and

l. Development of product quality standards and designations along with target-market promotion of same.

B. Program Priorities

Project proposals must be compatible with U.S. trade competitiveness policy. In addition, applicants are encouraged to address the priorities set forth below. An application does not need to focus on a specific number of these priorities to qualify for an award. It is conceivable that an applicant could do a superb job focusing on only one of the priorities and receive an award.

The international trade priorities listed below are the priorities referred to in V.A.3. Partnership and Priorities. The Department is interested in receiving proposals that include, but are not limited to, projects that:

1. Improve the competitiveness of U.S. manufacturing and service industries by addressing impediments to innovation and reducing the cost of doing business in foreign countries;
2. Increase competitiveness of U.S. industries in large markets like China, India, and Brazil by addressing non-tariff barriers, especially those related to standards and intellectual property rights;
3. Help U.S. industry to capitalize on effective global supply chain management strategies;
4. Advance market-based approaches to energy, clean development, and commercialization of alternative energy technologies;
5. Facilitate ease of travel to the United States and promote U.S. higher education and training opportunities to non-U.S. entities;
6. Capitalize on trade opportunities resulting from trade agreements;
7. Increase overall export awareness and awareness of ITA programs and services among U.S. companies, by making SMEs export-ready or by facilitating deal-making; and
8. Support the Administration's broader foreign policy objectives through competitiveness-related initiatives.

C. Program Authority

MDCP is provided for in 15 U.S.C. 4723. The program strengthens U.S. industry's

competitiveness by developing, maintaining, and expanding foreign markets for non-agricultural goods and services produced in the United States.

II. Award Information

A. Funding Availability

Approximately \$2,000,000 is expected to be available through this announcement for fiscal year 2009. The total number of awards made will depend on the amounts requested by top-scoring applicants and the availability of funds. No award will exceed \$400,000. The Department anticipates concluding five to nine cooperative agreements.

B. Project/Award Period

The award period is the time-span established in the award document during which federal sponsorship begins and ends. The term "award period" is also referred to as "project period" in 15 CFR Part 14.2. Each applicant proposes an award period of up to three years in its application. The award period may be extended. Extensions usually do not exceed 12 months. All extensions must be approved in writing by the grants officer.

C. Type of Funding Instrument

MDCP awards are cooperative agreements. Accordingly, ITA expects to have substantial involvement with cooperators as they work on their MDCP projects. This involvement is discussed below in VIII.E. Working as a Team with ITA.

III. Eligibility Information

A. Eligible Applicants

Trade associations, state departments of trade and their regional associations, and non-profit industry organizations, including organizations such as World Trade Centers, centers for international trade development and small business development centers are eligible to apply for an MDCP award. In cases where no entity described above represents the industry, private industry firms or groups of firms may be eligible to apply for an MDCP award. Such private industry firms or groups of firms must provide in their applications, documentation demonstrating that no entity in the first three categories listed below represents their industry.

1. Trade Association

A fee-based organization consisting of member firms in the same industry, or in related industries, or which share common commercial concerns. The purpose of the trade association is to further the commercial interests of its members through the exchange of information, legislative activities, and the like.

2. Non-Profit Industry Organization

- a. A non-profit small business development center operating under agreement with the Small Business Administration; or
- b. A non-profit World Trade Center chartered or recognized by the non-profit World Trade Centers Association; or
- c. An organization granted status as a non-profit organization under 26 U.S.C. 501(c)(3), (4), (5), or (6), which operates as one of the following:
 - (1) Chamber of commerce,
 - (2) Board of trade,
 - (3) Business, export or trade council/interest group,
 - (4) Visitors bureau or tourism promotion group,
 - (5) Economic development group,
 - (6) Small business development center, or
 - (7) Port authority.

3. State Departments of Trade and Their Regional Associations

- a. Department of a state government tasked with promoting trade, tourism, or other types of economic development; or
- b. Associations of the departments of trade (as defined above) of two or more states; or
- c. Entities within a state or within a region that are associated with a state department of trade, tourism, or other types of economic development including non-profit, non-private, non-commercial entities which are at least partially funded by, directed by, or tasked by a state government to promote trade, tourism, or other types of economic development.

4. Special Note Regarding Educational Institutions

Educational institutions, such as schools, colleges, and universities, are generally not eligible. However, organizations that are part of or affiliated with an educational institution for administrative, accounting, financial, legal, or logistical reasons may be eligible. Such

organizations that are not independent legal entities -- for example, an unincorporated organization -- that otherwise may be classified above under 1. Trade Association, 2. Non-Profit Industry Association, or 3. State Departments of Trade and Their Regional Associations, above are eligible.

In such a case, the eligible entity will include in its application a signed letter from the educational institution stating that MDCP funds will be used only by the eligible entity for the purposes outlined in its application, and that no such funds will be used by or retained by the educational institution, even though the funds may need to go through the educational institution because of the eligible entity's lack of a separate accounting system or lack of status as a separate legal entity.

B. Cost Sharing or Matching Requirement

A cooperator must contribute at least two dollars for each federal dollar received. The first dollar's-worth of contribution must be cash, the second can be either cash or in-kind contribution worth one dollar. See VII.B. Supplemental Explanation of Cost Share and Match.

C. Other Criteria that Affect Eligibility

An applicant that fails to meet the eligibility criteria cannot receive an MDCP award even if its application is reviewed.

1. Eligibility of Current or Past Cooperators

MDCP aims to increase competitiveness enhancement activities by using program funds to encourage new initiatives. MDCP funds are not intended to replace funds from other sources, nor are they intended to replace MDCP funding from a previous award. Current or past cooperators may propose a new project. See V.A.4. Creativity and Capacity below.

2. Determination of Eligibility

Prospective applicants are encouraged to resolve questions regarding eligibility by requesting an eligibility determination in writing accompanied by the most current version of all of the following documents that apply:

- a. Articles of incorporation,
- b. Charter,
- c. Bylaws,
- d. Information on types of members and membership fees,
- e. Internal Revenue Service acknowledgment of non-profit status,

- f. Annual report,
- g. Audited financial statements,
- h. Documentation of ties to state trade departments or their regional associations, and
- i. The letter described in III.A.4. Special Note Regarding Educational Institutions above.

Prospective applicants should submit eligibility determination requests as soon as possible, if they wish to have determinations prior to the application deadline. This deadline will not be extended, and applicants should continue to work on applications while awaiting the Department's eligibility determination.

IV. Application and Submission Information

A. Address to Request Application Package

Application packages will be available at www.grants.gov. Applicants are strongly encouraged to submit their applications via www.grants.gov. Hard-copy can be obtained via trade.gov/mdcp or by contacting Mr. Brad Hess, U.S. Department of Commerce, HCHB 3215, 14th Street and Constitution Avenue, N.W., Washington, DC 20230.

B. Content and Form of Application

The Department strongly encourages applicants to submit their applications online at grants.gov. Applicants should register at grants.gov days or weeks prior to the application deadline. Applicants should also know that they must prepare the bulk of the MDCP application offline and save it as a .pdf for upload later to grants.gov. Simply completing the online forms at grants.gov is not enough to constitute a complete MDCP application.

Applicants that choose to submit hard-copy applications must do so by delivering an unbound original and two copies to the listed submission address as set forth below in IV.G. Address for Submitting Proposals. Applicants that choose to provide hard-copy must ensure that the service they use to deliver their applications can do so by the deadline. Due to security concerns, packages and envelopes sent to the Department via U.S. mail are often delayed several days. The delays affect all forms of the U.S. mail, including first-class, priority, and express. See VII.C. Supplemental Explanation of Application.

C. Submission Dates and Times

The Department must receive the applications in Washington, DC physically or electronically, by 5:00 p.m. Eastern daylight time on June 2, 2009.

D. Intergovernmental Review

There are no intergovernmental review requirements beyond those already noted.

E. Funding Restrictions

1. Non-Construction Project

Neither MDCP awards nor matching funds are to be used for construction projects.

2. Pre-Award Activities

There is no obligation on the part of the Department to cover pre-award costs. Except as noted above in VIII.H. Approved Pre-Award-Period Expenditure, if applicants incur any costs prior to an award being made, they do so solely at their own risk of not being reimbursed by the government.

3. Joint Ventures

Entities may join together to submit an application as a joint venture; however, only one eligible organization can be the designated cooperator. For example, two trade associations may pool their resources and submit one application, but only one of the two will be the cooperator. Foreign businesses and private groups also may join with eligible U.S. organizations to submit applications and to share project costs. Applicants should pay special attention to III.B.2. In-Kind Contribution above, when formulating a partnership or joint venture.

F. Other Submission Requirements

1. Use of ITA Emblem

Applicants must include an appendix showing the various ways they anticipate using the ITA emblem in the course of their projects. Use of the ITA emblem is a graphic reminder that the project is backed by a partnership with ITA. In order to secure permission to use the emblem, ITA needs examples of anticipated use. Some common uses are on the top banner or footer of an invitation to a project event, sponsorship credit on an event program, or credit at the bottom of a web page. Provide a mockup of each type of anticipated use, e.g. one invitation, one program, and one webpage. ITA will use these examples to obtain formal clearance for applicants that are selected for MDCP awards. An example of the proposed use of the ITA emblem is available at trade.gov/mdcp.

2. Credentials

Each cooperator must ensure adequate development, supervision, and execution of project activities for itself and for each non-federal partner with significant involvement in the project. Therefore, for itself and each such partner, each applicant must:

- a. Address its ability to provide a competent, experienced staff and other resources;
- b. Describe its structure and composition;
- c. Discuss the degree to which it represents the industry in question;
- d. Describe the role, if any, foreign membership plays in its affairs;
- e. Summarize the recent history of its industry's competitiveness;
- f. Provide a resume for the project director and professional personnel; and
- g. Project the amount of time each professional will devote to the project.

3. Finance and Budget

Applicants must provide a detailed budget for the project including the elements listed below:

- a. Form 424A "Budget Information - Non-Construction Programs";
- b. Budget for Project Award Period;
- c. Supporting worksheets and explanations;
- d. A discussion of financial systems and projections of how, when, and from what sources the matching funds will be or have been raised. This discussion should address any of the following items that are relevant.
 - (1) Specific reference to the source of funds as documented in applicant's financial statements or annual budget if the financial statements do not allow a sufficient level of specificity;
 - (2) Proof of past performance generating program income;
 - (3) Letters of commitment from partners and others who have pledged to provide cash donations or in-kind resources.
- e. A summary of all financial assistance awards received in excess of \$100,000 over the last five years. This should include the award reference number, contact name, title, organization, current email or fax, and mailing address;
- f. The most recent audited financial statements. If the applicant is a sub-unit of an audited entity, in addition to the financial statements of the

audited entity, the applicant should provide financial statements at the most specific level available, whether or not these are audited. If the applicant's most recent financial statements are not audited, it should submit the most recent un-audited financial statements and a statement indicating whether it currently has an auditor and when it plans to issue audited financial statements; and

g. Any additional evidence of financial responsibility.

4. Forms

In addition to SF-424A and the other budget forms identified above, each application must include the completed forms identified below.

- a. SF-424 Application for Federal Assistance;
- b. SF-424B Assurances - Non-Construction Programs; and
- c. CD-511 Certifications Regarding Lobbying.

In addition, applicants may determine that they need to complete forms CD-512 "Certifications Regarding Lobbying-Lower Tier Covered Transactions" and/or form SF-LLL "Disclosure of Lobbying Activities". These are available at trade.gov/mdcp as part of the application kit, which includes explanations of the forms. Applicants should not submit form CD-346. The Department will instruct an applicant to submit this form only if it determines that the form is needed. This determination will be made by the Department after applications are submitted.

5. Appendices

Appendices should be logically ordered and consistently identified on each page for easy reference. As noted below, applicants should number each page of the application sequentially beginning with the executive summary and ending on the last page of the appendices. Applicants should include in their appendices, whatever material supports the main body of the application (IV.B.1-3), including the types of appendices listed below.

- a. The portion of the application defined above in IV.F.3. Finance and Budget.
- b. The forms noted above in IV.F.4. Forms.
- c. The determination of eligibility that an applicant has received from the Department. An applicant that has been found eligible in the past, but does not have a letter of eligibility, should request such a letter as soon as possible so it can receive one to include in its application.

- d. Letters of support for the project are not required or expected. Applicants that choose to submit letters of support should secure them soon enough to include them as application appendices.
- e. Current or past cooperators must submit a comparison between the proposed project and current or past projects. See V.A.4. Creativity and Capacity below.

6. Number of Pages

The main body of the application is limited to 50 pages. There is no limit on the number of pages for appendices. The main body of the application should include the substance of the applicant's proposal as identified in IV.B.1. through IV.B.4. above.

Each page of the application, from the executive summary to the last page of the appendices, should be numbered sequentially. Such numbering greatly facilitates the Department's application review, even if the numbers are hand-written. Whether the application is submitted electronically or scanned from hard-copy, sequential numbering ensures that viewers see in the order intended by the applicant. It also makes electronic searching of scanned documents match the hard-copy.

7. Method of Submission

In order to expedite the application evaluation process, the Department posts the applications electronically to internal reviewers and distributes hard-copy to each of the four selection panelists.

a. Electronic Submissions

In order to facilitate both the electronic and hard-copy access to applications by reviewers, applicants should submit their applications via grants.gov.

b. Hard-Copy Submissions

If, instead of submitting via grants.gov, the applicant submits hard copy, the Department will scan the unbound original with a pass-through scanner to create an electronic copy which can be easily transmitted to ITA reviewers or printed. The Department cannot guarantee that the electronic copy will include features that are not easily reproduced with a pass-through scanner. For example, tabs would likely not be seen, color pages might be reproduced in black and white, fold-out pages might be shrunken, and unusually sized (larger than 8.5" x 11") pages might be broken up.

(1) Unbound Original

Applicants that choose hard-copy must submit a signed unbound original application in addition to the copies. It is important that the original not be bound in order to facilitate scanning.

(2) Possible Submission Problems

It is the responsibility of the applicant to ensure prompt delivery of its application to the Department. Applicants should not rely on first-class mail because this service has no set delivery time. Even if an applicant chooses an express delivery service, it must use one that represents that it can deliver the application to the Department by the deadline.

In the event that the promised delivery time is not fulfilled, the applicant should contact the official listed in VII. below as soon as the delivery delay or failure is known. If the applicant can document that the chosen delivery service should have delivered the application on time, the Department will grant just enough time to receive the application, or allow the applicant to resend it, in the event that the previously sent application was lost, destroyed, or mutilated. Otherwise, the Department will reject the application as untimely.

8. Retention of Applications

a. Award Winners

Copies of winning applications are distributed to project team members for their use in managing projects.

b. Unsuccessful and Ineligible Applicants

For each eligible application that does not win an award, and for each ineligible application, the Department will retain the signed original or its electronic equivalent for seven years.

c. Late and Ineligible Applications Returned to Sender

Late applications are not accepted. Late applications and applications submitted by ineligible applicants are destroyed if submitted as hardcopy, and erased if submitted electronically. However, the Department will retain a copy of the cover page, transmittal letter, or electronic equivalent for seven years.

d. Limitation of Liability

In no event will the Department of Commerce or ITA be responsible for proposal preparation costs if this program fails to receive funding or is cancelled because of other agency priorities. Publication of this announcement does not obligate the Department of Commerce or ITA to award funds for any specific project or to obligate any available funds.

V. Application Review Information

A. Evaluation Criteria

The Department is interested in projects that demonstrate the possibility of both significant progress during the award period, and lasting benefits extending beyond the award period. To that end, the selection panel reviews each application for financial assistance under MDCP based upon the evaluation criteria listed below.

1. Potential to Strengthen Competitiveness (20 points)

A project's potential to strengthen competitiveness is evaluated primarily on the likelihood that it will result in export initiatives by U.S. firms, particularly small- and medium-sized enterprises. Such initiatives are normally characterized by a significant expenditure of resources by the chief executive officer of a company in the active pursuit of export sales. As noted above in I.A.2. Examples of Project Activity, many different kinds of activity can strengthen the competitiveness of U.S. industry; however, an applicant can earn the maximum number of points under this criterion only by demonstrating how its proposed project is expected to result in increased export initiatives by individual U.S. firms and exports by those firms.

2. Performance Measurement (20 points)

Applicants must provide quantifiable estimates of projected export and market share increases and explain how they are derived. No application that lacks an estimate of exports can receive a performance measurement score that exceeds ten (10). Applicants must detail the methods they will use to gather and report performance information.

3. Partnership and Priorities (20 points)

The degree to which the project initiates or enhances partnership with ITA and the degree to which the proposal furthers or is compatible with ITA's priorities stated under I.B. Program Priorities above.

4. Creativity and Capacity (20 points)

Creativity, innovation, and realism displayed by the work plan as well as the institutional capacity of the applicant to carry out the work plan.

a. Demonstrating Creativity

Applicants might propose ideas not previously tried to promote a particular industry in a market. Creativity can be demonstrated by the manner in which techniques are customized to meet the specific needs of certain client groups.

b. Table Comparing Proposal to Current or Past MDCP Projects

Applicants that have received an MDCP award in the past must submit a table comparing their current or past MDCP project(s) and their proposed project. The need for this table and the requested format are described below. As noted above in I. Funding Opportunity Description, MDCP awards are designed to help underwrite the start-up costs of new projects. Accordingly, current or past cooperators can be in a position to earn the maximum number of points under this criterion only if they propose projects that are entirely new.

In order to determine whether a project is entirely new, the current or past cooperator must provide, as a separate appendix, a comparison between the elements of the proposed project and the elements of its current or past MDCP-funded projects. Current or past cooperators that propose projects that are not entirely new will receive fewer points under this criterion than they would receive otherwise.

In determining the number of points under this criterion, the selection panel will consider the level to which a particular applicant has incorporated elements of its previously funded MDCP projects. To do this, current or past cooperators should submit a table wherein they approximate the amount of resources devoted to each project element. See VIII.D. Example Table Comparing Proposal to Current or Past MDCP Projects.

c. Institutional capacity

The Department measures institutional capacity by what each applicant submits. A current or past cooperator should not assume that success with a prior MDCP project will automatically be taken into account by the Department when reviewing its application. Each applicant must document its institutional capacity in its application.

5. Budget and Sustainability (20 points)

This criterion encompasses the reasonableness of the itemized budget for project activities, the amount of the cash match that is readily available at the beginning of the project, and the probability that the project can be continued on a self-sustained basis after the completion of the award. Current or past cooperators must show how the proposed project will achieve self-sustainability independent of any current or past MDCP projects. ITA does not assume that prior MDCP projects are self-sustaining. As noted in V.A.4.c. Creativity and Capacity above, ITA assesses each application based on what each applicant chooses to include in its application. If an applicant wants ITA to consider the self-sustainability of a prior project when evaluating a new project proposal, it should include relevant information in its application.

Each of the above criteria is worth a maximum of 20 points. The five criteria together constitute the application score. At 20 points per criterion, the total possible score is 100.

B. Review and Selection Process

The applicant is responsible for submitting a complete application in a timely manner. Prior to selection, each complete application receives a thorough evaluation as set forth below.

1. Eligibility Determination

The MDCP staff of the Office of Planning, Coordination and Management (OPCM) in ITA's Manufacturing and Services (MAS), in consultation with the Department's Office of General Counsel, reviews all applications to determine the eligibility of each applicant.

2. Program Area Review

Relevant program areas, including ITA's MAS, Market Access and Compliance (MAC), and Commercial Service, have the opportunity to review the submitted applications. This allows experts in the industry sector or geographical region to assess applicant claims. These reviewers provide insights into both the potential benefits and the potential difficulties associated with the applications.

3. OPCM Review

Representatives of OPCM review and comment on applications using the evaluation criteria identified above. OPCM prepares for the selection panel a review packet including the applications and reviewer comments. The OPCM staff and program area comments afford the selection panel the insights and breadth of experience of Department professionals. However, the selection panel is free to consider or disregard them as it sees fit.

4. Selection Panel Composition

The MDCP Manager forwards all of the eligible applications, along with all related materials, to the selection panel of at least three senior ITA managers. This panel is chaired by the OPCM Director and typically includes three other members, one each from MAS, MAC, and the Commercial Service. Panel members are office directors or higher.

5. Selection Panel Scoring

Each selection panel member reviews each eligible application and assigns a score for each of the five criteria stated above. The scores of each selection panel member for each application reviewed are maintained in the files for seven years. The individual criteria scores are averaged to determine the total score for each application. The evaluation criteria scores assigned by the panel determine which applications are recommended for funding.

6. Ranked Recommendation:

Based on the scores assigned by selection panel members and deliberations by the

selection panel, the selection panel forwards the applications with the ten highest total scores ("top-ranked applications") to the Assistant Secretary for Manufacturing and Services and recommends which of the top applications should receive funding. If the amount of funds requested by the top ten applicants is less than the funding available, the selection panel recommends additional applications for funding in rank order.

The selection panel's recommendation will not deviate from the rank order. This means, for example, that the selection panel cannot recommend funding for the application ranked seventh without recommending funding for applicants ranked first through sixth. The selection panel recommendation includes the panel's written assessment of the strengths and weaknesses of the top-ranked applications.

C. Selection Factors

From the top-ranked applications forwarded by the selection panel, the Assistant Secretary for Manufacturing and Services selects those applications that will receive funding. In addition to the criteria in V.A. Evaluation Criteria above, the Assistant Secretary for Manufacturing and Services may consider the selection factors listed below:

1. The selection panel's written assessments,
2. Degree to which applications satisfy the ITA priorities established under I.B.3.d. Project Funding Priorities above,
3. Geographic distribution of the proposed awards,
4. Diversity of industry sectors and overseas markets covered by the proposed awards,
5. Diversity of project activities represented by the proposed awards,
6. Avoidance of redundancy and conflicts with the initiatives of other federal agencies, and
7. Availability of funds.

D. Anticipated Announcement and Award Dates

Applications are reviewed simultaneously. The Department anticipates announcing the awards in early October 2009.

VI. Award Administration Information

A. Award Notices

Award winners will be notified by letter accompanied by the authorizing document for MDCP awards, the CD-450 Financial Assistance Award, signed by the grants officer. This document is sent by express delivery service to the "contact" listed on form 424. It must be signed by the applicant's "authorized representative" listed on form 424, and returned to the Department.

Within ten days of the award winners formal acceptance of their awards, the Department will notify unsuccessful applicants in writing and invite them to receive a debriefing from MDCP officials.

B. Administrative and National Policy Requirements

MDCP awards are made pursuant to the Department's standard terms and conditions. These are available at trade.gov/mdcp. In addition, each MDCP award has special award conditions. An example of special award conditions is available at trade.gov/mdcp or by contacting the agency contact listed in VII. below.

The Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements contained in the Federal Register notice of February 11, 2008 (73 FR 7967) are applicable to this solicitation.

C. Reporting

1. Quarterly Performance Report

Throughout the award period, cooperators report their performance quarterly for periods not to exceed three months of activity ending on March 31, June 30, September 30, or December 31. These quarterly performance reports are due thirty days after the last day of the quarter. Much of the content of the report is discussed above in IV.B.3.b. Performance Measures. The report is filed online. A copy of the template used for filing the report online is available at trade.gov/mdcp.

2. Quarterly Financial Status Report

Following the same time periods and deadlines as those set forth above for performance reports, each cooperator files a quarterly Federal Financial Report. This consists of a completed form SF 425. The completed form is submitted directly to the grants officer. An example is available at trade.gov/mdcp.

VII. Agency Contacts

Mr. Brad Hess, Manager, Market Development Cooperator Program, Manufacturing and Services, ITA, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 3215, Washington, D.C. 20230.

VIII. Other Information

A. Pre-Application Counseling

Applicants with questions should contact the Department as soon as possible, while continuing to prepare their proposals. The Department will not extend the deadline for submitting applications.

From the date of publication of this opportunity notice until applications are due, the Department does not counsel potential applicants regarding the merits of projects they may propose in their applications. During this competition period, the Department may respond to potential applicants' questions regarding eligibility, technical issues, procedures, general information, and referral. For example, during the competition period the Department may refer a potential applicant to sources for research on a foreign market identified by the potential applicant. However, to continue the example, the Department may not comment on the merits of including that market in a proposal, or suggest an alternative market.

B. Supplemental Explanation of Cost Share and Match

1. Cash Contribution

Cash contribution is a new outlay of cooperator funds for project activity. The term describes only the amount of a cooperator's own funds that it spends as match. (By definition, MDCP award funds are never part of cash contribution or any other portion of the match.) Any expenditure for project activity by an organization other than the cooperator is in-kind contribution, not cash contribution. The cooperator can only use its own funds, not the funds of a partner or any other entity, as cash contribution. In-kind contribution is not part of cash contribution.

a. One Dollar of Match Must Be Cash

One dollar of a cooperator's minimum two-dollar match must be cash contribution. The other dollar of match may be either in-kind contribution or cash contribution.

b. Program Income

Project fees generated under the award, like any other source of program income, must be used for project-related purposes during the award period. Applicants should explain any such fees.

(1) Project Benefits and Reasonable Fees

Benefits from the project must be made available to all companies in the industry whether or not a company is a member or constituent of the cooperator or its partner(s). In some situations, a cooperator may charge lower fees to one class of companies than to another. For example, a trade association could charge a lower participation fee to a member company than it does to a nonmember. This is permitted as long as the difference in fees is reasonable.

(2) Cash Match If Value Added

Program income expended on project activity may be counted as cash match, if it represents value added by the cooperator for project activity. This can be illustrated in the example of a company that attends a technical seminar as part of a cooperator's project. If the company negotiates amounts for its own arrangements with vendors, pays the total amount to the cooperator, then has the cooperator pay the amount to the vendors, the cooperator has added no value. The cooperator cannot claim the fees as cash match.

The same cooperator could claim fees paid by the company for technical seminar participation if the cooperator adds value and the fees represent something of value that furthers project goals. For example, the cooperator could create its own technical-seminar participation package. This might include finding optimal hotel accommodations, securing group airfare, meeting with seminar organizers beforehand, and organizing a reception to take place after hours while the seminar is scheduled. Such a cooperator package would help determine project success. When companies pay the fees for such a package, they are doing more than getting themselves to a technical seminar; they are agreeing that the project itself has value. Because the cooperator's package adds value and furthers project goals, the cooperator could charge fees, use the fees to pay project expenses, and claim them as cash match.

(3) Third Party Contributions

In order for a cooperator to outlay cash contributed by a third party, the third party must transfer the funds to the cooperator. Otherwise, expenditures for goods and services contributed by a third party are considered to be in-kind contributions.

2. In-Kind Contribution

An in-kind contribution is a match other than a cash contribution. Examples include the value of staff time of a partner organization, airfare donated by a U.S. airline, and cash paid by partner organizations for project expenses.

Applicants can claim only the fair market value of the in-kind contribution. In proposed budgets, applicants should list all in-kind contributions separately from cash contributions. Applicants must describe these in-kind contributions in sufficient detail to determine that the requirements of 15 CFR Part 14.23(a), or 15 CFR Part 24.24 (a) and (b) are met.

Applicants should structure their budgets carefully when expenditures by companies that benefit from project activity are involved. An expenditure by such a company that primarily benefits only that company cannot be claimed as in-kind match.

For example, a company may have made and paid for its own arrangements to attend an industry exhibition that a cooperator has included in its project. The cooperator could not claim the amount paid by the company as in-kind match. The company incurs airfare and other expenses for its own benefit, but not necessarily to accomplish project objectives. Such expenditures are more self-serving than are true in-kind contributions to project success.

This policy should not deter applicants from proposing in-kind match. For example, a cooperator can claim the value of airfare donated by a U.S. airline. Although the airline benefits from goodwill associated with donating the service, it is the cooperator's project that benefits directly when the airfare is used to achieve project objectives. Unlike the company in the example above, the airline does not use the donated airfare itself and thereby benefit directly from it.

3. Minimum Match

An example of the minimum match is set forth below. An applicant requesting \$100,000 of federal funds must supply, at a minimum, \$100,000 of cash contribution. As illustrated below, the remaining \$100,000 of the required match can be made up of additional cash or in-kind contributions.

	Federal Share	Cooperator Match
Cash	100,000	100,000
Cash or In-kind		100,000
	100,000	200,000

4. Cost Share Ratio (Reimbursement Percentage)

The example above establishes a cost-share ratio of two-to-one: two cooperator dollars for each federal dollar. The cooperator assumes 2/3 of the total cost. In other words, 67 percent of the funding is provided by the cooperator and 33 percent by the federal government. This means that the cooperator will receive one dollar for every three dollars in project expenditures. In other words, whenever the cooperator claims project budget expenditures, the Department will use the MDCP award funds to reimburse the cooperator for no more that 33 percent of them.

5. Additional Match

Cooperators may contribute more than two dollars for each federal dollar received; however, as set forth below, if they include this additional match in their budgets, it will increase the cost-share ratio and decrease the reimbursement percentage.

	Federal Share	Cooperator Match
Cash	100,000	100,000
Cash or In-kind		200,000
	100,000	300,000

This example establishes a cost-share ratio of three-to-one: three cooperator dollars for each dollar of federal funds. The cooperator assumes 3/4 of the total cost. In other words, 75 percent of the funding (\$400,000) is provided by the recipient and 25 percent (\$100,000) by the federal government. This means that in order to receive one dollar of federal reimbursement, the cooperator must expend four dollars. In other words, whenever the cooperator claims project budget expenditures, the Department will use the MDCP award funds to reimburse the cooperator for no more than 25 percent of them.

6. Documentation of Cost-Sharing Commitments

Applicants should demonstrate how they will meet cost-sharing commitments (match) if an award is made. Here two examples of provide such documentation, there may be many other ways to accomplish this. First, if matching funds are to come from cash on hand, the applicant should explain, in reference to its financial statements and/or annual budget, where such funds will come from. Second, if matching funds are to come from a state appropriation, the applicant should provide an authoritative statement from the state government that the amount of matching funds are or will be available.

C. Supplemental Explanation of Application

1. Executive Summary

In accordance with V.B. Review and Selection Process below, the Department will distribute applicants' one-page summaries to its experts to solicit comments. This summary should communicate the essence of the application proposal including the following:

- a. Applicant's name and location,
- b. Name of partnership organizations joining applicant,
- c. ITA entities and other federal offices with which applicant envisions working,
- d. Amount of federal funds requested,
- e. Total project budget,
- f. Proposed award period,

- g. Foreign markets targeted,
- h. U.S. industry to be promoted, and
- i. Brief description of the project activities and methods.

2. Background Research

Developing a project plan requires solid background research. Applications should reflect the findings of the applicant's study of the following:

- a. Current competitive position of the U.S. industry, including market potential for the industry's products,
- b. Competition from host-country and third-country suppliers,
- c. Economic condition and the ability of a country to import the U.S. products,
- d. Industry resources that can be brought to bear on developing a market,
- e. Industry's ability to meet potential market demand, and
- f. Industry's after-sales service capability in designated foreign market(s)

3. Project Description

After describing their completed basic research, applicants should develop operating plans that set forth project objectives and the specific activities applicants will undertake.

a. Work Plan

The project description should include a list of specific activities planned, including: (1) the different phases of the project, identifying each milestone and activity in chronological order; (2) the location where activities will take place; and (3) the ways the applicant intends to involve ITA as a partner in project activities.

b. Performance Measures

Each cooperator reports its performance on its own distinct performance measures as well as on ITA performance measures. The reports are due thirty days after the end of each calendar quarter. A report template is available at trade.gov/mdcp.

(1) ITA Performance Measures

Cooperators should be prepared to gather and report the effect of MDCP project activity on the performance measures below.

- (a) Reporting by name, city, state, and contact information of U.S. company and the status of each company as new-to-market, new-to-export, or increased-export-to-market, the following:
 - (i) Value of exports of services or goods delivered or contracted;
 - (ii) Value of other competitiveness developments including export-related agreements, loss avoided, trade complaints resolved, U.S. firm's investment in foreign assets that increase U.S. exports, cooperator's investment in foreign assets that increase U.S. exports; and
 - (iii) U.S. jobs created.

(b) Reporting by cooperator:

- (i) Value of the target market for the target industry(s), and the current U.S. share of such market(s);
- (ii) Value of exports attributable to MDCP activity that cannot be reported individually under IV.B.3.b.(1)(a) above; and
- (iii) Date that the cooperator presents prospective U.S. participants in MDCP project activity with an MDCP success (participation) agreement. This agreement should be customized to the needs of the cooperator, but must include a requirement that companies that participate in MDCP project activity agree to report their exports and other successes to the cooperator or to the Department.

(2) Applicant-Designed Performance Milestones

Applicants should develop and utilize performance milestones that reasonably gauge project success. All cooperators report on ITA performance measures; therefore, applicants should not duplicate ITA performance measures in their discussion of applicant-designed milestones.

(3) Performance Measure Recording and Reporting System

Each applicant describes its recording and reporting system in its proposal. Ultimately, it is the success of individual companies that demonstrate an industry's strengthened competitiveness. Therefore, applicants should demonstrate how they plan to ensure that participant companies, and any other relevant sources, will report success information.

4. Partnership

Applications should display the imagination and innovation of the private sector working in partnership with the government to obtain the maximum market development impact. As noted under VIII.B.1. Project Team below, each cooperator will work with a project team leader and other ITA team members. Team members from other federal agencies also may be invited to participate. Applicants must describe in detail all assistance desired from ITA or other federal agencies.

D. Example Table Comparing Proposal and Current or Past MDCP Projects

The example below is for an applicant that received an MDCP award in 2001 for an India project to open an office, put on standards seminars, and lead trade missions. It is compared to the applicant's new China project.

	2001 Project	Proposed Project
Mumbai office	150,000	
Shanghai office		200,000
Trade shows in country		100,000
Standards seminars	50,000	
Trade missions	90,000	180,000
	290,000	480,000

E. Working as a Team with ITA

As noted below in VIII.E.4. Team Participation in Project Activities, the Department will have substantial involvement with the cooperator. This involvement results primarily from the activities of the project team.

1. Project Team

To administer each cooperative agreement, a project team is established including key personnel from the cooperator and ITA officials who can help the cooperator achieve MDCP project objectives. (If needed, officials from other federal agencies may be invited to participate in the project team.) Each project team acts as the project's "board of directors" establishing

direction, recommending changes when necessary, and working on project activities.

2. Fiscal Year Operating Plan

Each year during the award period, the project team formulates an operating plan based on the work plan submitted in the application. The plan identifies events, projected dates, team responsibilities, and a rough cost estimate for each event and ongoing activity scheduled during the fiscal year (October through September). Applicants do not submit fiscal year operating plans in their applications. These are developed only after receipt of an award and designation of the project team.

3. Regular Team Meetings

Project teams normally meet in-person every three to six months. In between these meetings, project teams usually coordinate via telephone or video conference. Cooperators based in the Washington, DC area sometimes meet in-person more often.

4. Team Participation in Project Activities

Project team members, including the project team leader and other federal government team members, participate as appropriate in project activities. For example, in the past, ITA members of the project team have attended meetings where international standards are developed, recruited for technical seminars, and delivered presentations at seminars. As noted above in VIII.E.2. Fiscal Year Operating Plan, federal government members of the project team usually draw on separate government-administered funds to pay the costs associated with their participation.

5. Fees for Some Government Services

The Commercial Service participates on each MDCP project team. Applicants should understand that the Commercial Service is required to charge fees to cover costs for many of the services it provides. The policy set forth below applies to Commercial Service resources that are provided as part of MDCP cooperative agreements.

The Commercial Service will provide, as part of the cooperative agreements, a limited amount of reasonable assistance to MDCP cooperators at no charge. Such assistance does not extend to an MDCP cooperator's constituent member companies or to any other for-profit enterprises. They will pay the Commercial Service normal user-fees as applicable. The policy set forth below applies to Commercial Service resources that are provided as part of the cooperative agreements.

For assistance that goes beyond the "limited amount of reasonable assistance" as defined below, applicants should make provision in their budgets. To determine the cost for services provided by the Commercial Service, applicants should contact the U.S. Export Assistance Centers (USEACs) or overseas Commercial Service offices. These may be identified at buyusa.gov.

There may be situations that prevent the Commercial Service from providing no-charge services to cooperators. Perhaps the most common example is another event to which the Commercial Service office has already committed its resources.

The definitions below will guide the domestic or overseas Commercial Service offices in implementing this policy.

a. Overseas Commercial Service Offices

(1) Limited Amount of Reasonable Assistance

Cost-free assistance will not exceed two days' Commercial Service effort per cooperator, per country, per year. Depending on the availability of resources at the time that it is needed, the assistance could include things like briefings on market conditions, temporary use of Commercial Service office space, help in making appointments and hotel reservations, and organization of seminars and conferences. Direct costs and specially-prepared market research are not included in the cost-free assistance.

(2) No Charge

No charges means that no fees are collected. The term applies only to indirect costs such as time expended by Commercial Service employees. Cooperators should always expect to pay direct costs, such as hiring an interpreter or transportation.

b. U.S. Export Assistance Centers (USEACs)

USEACs can generally implement the policy as a no-charge extension of normal client support. Most USEAC service to cooperators is provided as part of long-term relationships developed in local exporting communities throughout the United States.

F. Anticipated Start Dates

Each applicant should plan its MDCP project so that its proposed award period begins no sooner than October 1, 2009, and no later than April 1, 2010.

G. Existing Projects

The Department is soliciting only new applications for new projects. The Department does not renew or supplement existing MDCP awards. See V.A.4.b. Creativity and Capacity below.

H. Approved Pre-Award-Period Expenditure

As a general matter, cooperators can request reimbursements only for project costs incurred during the award period. However, cooperators may expend project funds to attend a

cooperator orientation meeting, even if it precedes the beginning of the award period.

I. Definitions

Several definitions are provided below to assist readers in preparing MDCP applications. These definitions do not supplant or supersede definitions provided in the Department's Grants and Cooperative Agreements Interim Manual (June 2007).

1. Announcement of Federal Funding Opportunity (FFO)

The complete FFO is posted at trade.gov/mdcp. A short request for applications is also published in the Federal Register announcing the availability of MDCP financial assistance.

2. Commercial Service

Commercial Service is the unit of ITA with domestic and international offices that: promotes exports of goods and services from the United States, particularly by SMEs; and protects U.S. business interests abroad. Commercial Service professionals participate on MDCP project teams.

3. Cooperative Agreement

This legal instrument used for MDCP awards reflects a relationship between the Department and a recipient whenever: (1) the principal purpose of the relationship is to transfer money, property, services, or anything of value to accomplish a public purpose of support or stimulation authorized by federal statute and (2) substantial involvement (e.g., collaboration, participation, or intervention by the Department in the management of the project) is anticipated between the Department and the recipient during performance of the contemplated activity.

Cooperative agreements are subject to the same Office of Management and Budget (OMB), Treasury, and other federal laws and policies as grants. See 31 U.S.C. 6305. See VIII.E. Working as a Team with ITA above for additional information about the Department's involvement.

4. Cooperator

An organization (see definition below) that receives an MDCP financial assistance award. A cooperator is a "recipient" (see definition below) of federal financial assistance. Cooperator status is valid only for the term of the MDCP award period.

5. Cooperator Event

This term applies to an export promotion, or market development, or other competitiveness enhancement activity undertaken as part of an MDCP project. These typically include such activities as trade missions, a trade shows, technical seminars, standards seminars, or opening a foreign office. Other examples include, but are not limited to, those listed above in

I.A.2. Examples of Project Activity.

6. Current or Past Cooperator

An organization that currently has or in the past has had an MDCP financial assistance award is referred to as a current or past cooperator.

7. Direct and Indirect Costs

Generally, direct costs are readily identifiable with a particular project, function, or activity. Examples typically include salary/benefits of personnel engaged in accomplishing project work, project travel, and payments to contractors for project work. In contrast to direct costs, indirect costs, while necessary to the general operation and activity of an organization, are not readily identifiable with a particular project, function, or activity. These are often referred to as "overhead" and usually include such costs as depreciation, administrative salaries, general telephone expense, and operation and maintenance of buildings and equipment.

Applicants may claim indirect costs. The Department will determine allowable costs on the basis of the applicable cost principles and definitions in OMB Circulars A-21, A-87, and A-122; in 45 CFR Part 74, Appendix E; and in 48 CFR Part 31.16.

Federal funds may be used only to cover direct costs. The applicant must incur and pay direct costs that equal or exceed the amount of federal funds. However, any portion of the balance of applicant's match that does not exceed the levels set forth below in VIII.E.11. Indirect Cost Rate, may be used to cover indirect costs.

8. Domestic Commercial Service Office

Offices of the Commercial Service located in the United States known as U.S. Export Assistance Centers.

9. Fair Market Value

This term describes the monetary limit to in-kind contribution. Only the value that could reasonably be charged in the marketplace can be claimed. For example, a consultant who donates her time to a cooperator as in-kind contribution cannot attach a monetary value to her contributed time that is greater than the amount she would actually be paid if she were to charge a paying client for the same type of work.

10. Fiscal Year

This is the fiscal year of the federal government. The twelve-month period from October 1 through September 30.

11. Indirect Cost Rate

If a cooperator does not have a current approved indirect cost rate from another federal agency, and the Department of Commerce will be the largest funding federal agency, the Department will work with the cooperator to establish an indirect cost rate. This will not happen until after an applicant has been selected as an MDCP award winner (cooperator). Indirect costs are capped by the cooperator's total direct costs or the indirect cost rate, whichever is less.

12. Industry

The U.S. enterprises that an applicant's project is designed to benefit constitute an industry. The target group can be very broad or quite specific. One applicant, for example, may define the industry as all U.S. producers of tennis equipment and services. For another applicant, "industry" might refer only to California tennis equipment producers. Another applicant might define its industry as all California companies.

13. Manufacturing and Services (MAS)

MAS is one of ITA's major program areas that focuses on trade and competitiveness of U.S. industries from an industry perspective. MAS's Assistant Secretary makes the final selection of MDCP award winners. ITA MDCP project teams are led by MAS professionals.

14. Market Access and Compliance (MAC)

MAC is one of ITA's major program areas dealing with trade negotiations, compliance with trade agreements, and trade policy. MAC professionals usually serve on project teams.

15. Non-Agricultural

Non-agricultural goods and services means goods and services other than agricultural products as defined in 7 U.S.C. 451.5. This definition includes "agricultural, horticultural, viticultural, and dairy products, livestock and the products thereof, the products of poultry and bee raising, the edible products of forestry, and any and all products raised or produced on farms and processed manufactured products thereof..."

16. Office of Planning, Coordination and Management (OPCM)

OPCM is the MAS office that administers MDCP.

17. Orientation

MDCP orientation is usually held in late October after MDCP awards are announced. Applicants should include travel to the orientation in their application budget. The signed financial assistance award that a successful applicant receives from the Department serves as official approval to expend project funds for this purpose, even if the orientation precedes the beginning of the award period. This expenditure is limited to allowable expenses (e.g., air fare,

ground transportation, and lodging) associated with attending the orientation.

18. Overseas Commercial Service Office

These offices are part of the Commercial Service with Commerce Department employees based in U.S. embassies, consulates, and other locations abroad. Also, a U.S. State Department post that the Commercial Service partners with in some locations where the Commerce Department does not have a presence.

19. Produced in the United States

This term refers to a product having a value of U.S. content exceeding 50 percent of the total value of the good or service to be exported. United States content includes, but is not limited to, material, equipment, marketing/sales, labor, and distribution costs.

Other factors may be included when determining whether a good or service is treated as "produced in the United States." These include U.S. national interest and whether or not the exporter is a U.S. entity. For these and any other special considerations, the Commercial Service should be involved to determine whether or not the product or service deserves treatment as having been "produced in the United States."

20. Product

The term "product" refers to a U.S. non-agricultural good or service.

21. Project

A project is a series of activities proposed in an MDCP application -- or, after an MDCP award is made, in an amendment request -- and approved by the Department which occurs during the award period.

22. Project Team Leader

A team leader is an ITA employee who coordinates MDCP project activity with a cooperator and serves as the cooperator's primary point of contact with ITA. (See VIII.E.1. Project Team above.)

23. Recipient

A recipient is a cooperator, the organization that receives an MDCP award.

24. Small- or Medium-size Enterprise (SME)

SMEs are generally companies with fewer than 500 employees.

25. Team Meetings

Cooperators usually meet in person with members of their ITA team at least three times per year. ITA team leaders usually request and receive sufficient ITA administrative funds to pay for travel to the cooperator's location for team meetings. Most cooperators make provision in their project budgets to travel to Washington, DC for about one team meeting per year in order to familiarize themselves with all of the resources available to them, both federal and non-federal. The first team meeting usually happens on the afternoon of the orientation meeting.

26. Third Party Contributions

A third party's direct expenditure for project activity would be counted as in-kind contribution. However, if the third-party contributes funds to the award recipient (the cooperator), the funds are no longer those of the third party. They become the cooperator's funds, which, when expended on project activity constitute cash contribution.

27. U.S. Export Assistance Center (USEAC)

USEACs are part of the Commercial Service. They are sometimes referred to as a domestic Commercial Service office.

28. U.S. Product

A U.S. product is a product produced in the United States above as defined above in VIII.I.18 above.

Some terms are best understood in the context of a more detailed discussion. For terms that do not appear above, refer to the FFO section where the term is discussed.